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C O N F I D E N T I A L LA PAZ 001716

SIPDIS

E.O. 12958: DECL: 08/11/2018  
TAGS: PGOV PREL KDEM ASEC BL  
SUBJECT: BOLIVIA: VOTE OVER, EVO GAINS, NOW WHAT?

REF: LA PAZ 1634

Classified By: EcoPol Chief Mike Hammer for reasons 1.4 b,d

¶1. (SBU) Summary: Voting in the August 10 recall referendum transpired with relatively few allegations of irregularities and no significant violence. The potential for conflict over voting rules (based on the law passed by congress or the 50 percent plus 1 compromise negotiated by the courts) seems to have been avoided, since the winners and losers apparently won and lost by large enough margins that the differences between the voting rules will not matter. The OAS observation team will therefore face one fewer obstacle to declaring the elections "free and fair", although OAS team leader Eduardo Stein admitted that the team did not have a chance to check the voter rolls for irregularities, which may affect as many as three to four percent of names on the rolls.

¶2. (SBU) Summary continued: Election results continue to come in, but President Evo Morales appears to have been confirmed in his position with between 55 and 65 percent of the vote. The four opposition media luna prefects (Santa Cruz, Beni, Pando, Tarija) won by comfortable margins as well. Some vote counts suggest that Movement Toward Socialism (MAS) Oruro prefect Alberto Aguilar lost, while some place the vote too close to call. The opposition prefects of La Paz and Cochabamba lost by significant margins, although Cochabamba Prefect Manfred Reyes Villa is vowing to stay on. Regionally, Evo seems to have lost in at least three opposition departments, highlighting Bolivia's east/west divide. Having received over 60 percent approval nationwide, however, Evo is welcoming his "triumph": "What the Bolivian people have expressed by their vote today is the consolidation of the process of change. We will go ahead with the recovery of our natural resources, nationalization, and the state takeover of companies." Evo also spoke of unity and compromise, calling for the MAS draft constitution and the autonomy statutes to be reconciled through dialogue. Some analysts worry that Evo's new conciliatory tone is merely a show for the international press and that after international attention turns aside, Evo will be radicalized by his strengthened mandate. End summary.

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13. (C) There was no coordinated national campaign against Evo, and the regional opposition leaders generally avoided attacking Evo so as not to face a pro-Evo backlash that could cost them votes. Meanwhile, large sums of money bought private and government-backed advertisements to push for Evo's reelection, allowing Evo to achieve better election results than in 2005. Although much of Evo's campaign strategy was race or class based, encouraging voters to vote for him because of his poor, indigenous background, Evo has already shown that he will interpret his new mandate as a call for more socialism. Further nationalization and state involvement in the economy can be expected. In his speech, Evo also praised "patriotic" companies that cooperate with the state, a possible reference to companies that accept state-mandated prices (such as the case with a number of foodstuffs.) As inflation continues to hurt Bolivians' pocketbooks, it is likely that Evo will expand this form of state intervention in the economy as a populist act, and companies that are not "patriotic" are likely to be punished.

14. (C) If Evo obeys current legal requirements by holding a referendum to attempt to pass his new draft constitution, he will theoretically need to wait until 2009 because only one national referendum can be held each legislative year by law.

Practically speaking, it will take three months for the National Electoral Court to prepare for a new election, so Evo is likely to accept a 2009 date for a referendum rather than run the risk of more protests against a referendum in 2008. Evo also benefits from a period of campaigning for the new constitution (which allows for reelection): campaigning is Evo's forte, and it would allow him to travel from town to town handing out Venezuelan checks and strengthening his cult of personality. If Evo decides to go the legal route and put the constitution to a referendum, we expect the referendum in early 2009, building on Evo's current momentum and taking place before the political doldrums of February's carnival.

15. (C) Evo has previously stated, however, that a win in the recall referendum would be equivalent to approval for the constitution. Since he has also stated his intent to rule by decree and his willingness to break the law for political objectives (reftel), there is a chance that Evo will try to push the draft constitution through by extra-legal means. Evo and the MAS were unwilling to negotiate in good faith before, and a new mandate in the form of 55 to 65 percent approval is unlikely to make him more conciliatory. Even if there is a renewed push for talks by the OAS for friends group composed of Brazil, Argentina, and Colombia. (Note: Nor are the newly-ratified media luna prefects more likely to compromise, since they won higher support in their departments than Evo did. End note.) After a public show of attempts at dialogue--to appease international observers and the friends group--it is possible that Evo will attempt to push through the draft constitution without a referendum. Such an action would likely be fiercely rejected by the autonomy-seeking opposition departments.

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The Opposition's Future  
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16. (C) The decision by the Senate--held by national opposition party Podemos--in May 2008 to pass the law that let the recall referenda go forward now appears a tactical disaster for the opposition. Although the media luna prefects have survived and even been strengthened regionally, Evo received an important boost and regained the political initiative, including increased support over 2005 in several media luna departments. The media luna has also lost an ally in Cochabamba prefect Manfred Reyes Villa (who received the lowest percentage of votes in his favor of any of the prefects.) The regional opposition leaders are now the main source of opposition to a strengthened president, and other than its control of the Senate, the national opposition has very little power. In fact, the recall has fractured the

opposition and it is hard to envision how it will coalesce unless the departments and Podemos can unify, perhaps ditching its now-ineffectual leader Tuto Quiroga in the process.

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Possibilities of Violence  
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17. (C) Cochabamba again emerges as a possible flashpoint for violence with Prefect Manfred Reyes Villa currently announcing his intention to stay in office despite having lost by over 60 percent in the recall referendum. Cochabamba as a department mirrors the geographic, ethnic, and urban/rural divisions of the country, and moreover it is the home to Evo's strongest and most potentially violent supporters, the cocaleros, who set fire to the prefecturate in 2007. Much may depend on how Evo proceeds with picking an interim prefect (Note: According to a decision of the Constitutional Tribunal, Evo can appoint interim prefects for only three months, then elections should be held. Since the Constitutional Tribunal has been gutted, however, it is not clear whether he will obey that ruling and allow elections to replace his interim appointments. End note.) Sources suggest that Evo could be looking at a moderate MAS replacement, but there is also a strong chance that he will need to acknowledge his cocalero supporters by nominating an interim prefect from his cocalero base, a choice likely to radicalize Cochabamba further.

18. (C) Another potential for violence could develop from Evo's impatience at the fact that he has been blocked from visiting cities in opposition areas recently. It is not clear how long Evo will accept the fact that he is unable to visit half of the country he was elected to govern (a country which has now ratified his continued presidency with a landslide of approval.) If Evo decides to call in the National Police or Army to force the issue--taking airports in opposition areas or spearheading an entry into Sucre, for example--there is a serious threat of violent clashes and deaths. Whereas common opinion says that Bolivian presidents cannot risk civilian deaths after the reaction of the populace to the deaths in 2003 and 2006, in fact Evo has just won a major election less than a week after National Police at his orders clashed with protesting miners, leaving two miners dead. Evo's reaction to those deaths was barely regretful, and he does not seem to have suffered any fallout. He may therefore be more likely to risk confrontation and civilian deaths to assert his right to travel through the country.

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Anti-American or Pro-Venezuelan Rhetoric and Actions  
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19. (C) With his enhanced mandate, Evo is likely to continue using anti-American rhetoric, which has proven to be a useful campaign tool. Although there is public concern in some quarters over the growing influence of Venezuela and Venezuelan money, Evo did not seem to suffer from that association, and therefore he will probably continue to avail himself of President Chavez's moral and financial support. Chavez announced his public congratulations on the results of the election, noting the "extraordinary process of liberation that President Morales is conducting" and adding that Bolivia has reached a moment of "re-founding." The announcement on August 10 of a new state cement company backed by Venezuelan and Iranian investment suggests that Evo will continue make new friends and insult the old.

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